

The Commonwealth of Massachusetts

ANNUAL REPORT

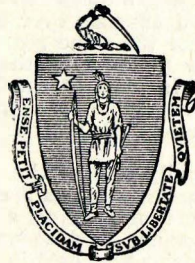
OF THE

BOARD OF TAX APPEALS

FOR THE

YEAR ENDING NOVEMBER 30, 1934

Department of Treasurer and Receiver-General



BOARD OF TAX APPEALS

ROOM 202, 20 SOMERSET STREET, BOSTON, MASS.

PUBLICATION OF THIS DOCUMENT APPROVED BY THE COMMISSION ON ADMINISTRATION AND FINANCE

1m—1-'35. Order 3491.

BOARD OF TAX APPEALS

To the Honorable Senate and House of Representatives:

In compliance with Section 4 of Chapter 58A of the General Laws, the Board of Tax Appeals herewith submits its annual report for the year ending November 30, 1934.

The volume of business handled by the Board continues to increase. The number of appeals entered has increased from 301 in 1931 to 1114 in 1932, 2804 in 1933 and 3392 in 1934. In 1931, the first year of the Board's existence, 129 appeals were disposed of; in 1932,—426; in 1933,—1238; and in 1934,—2545. There has been no material change in legislation affecting this Board during the past year. The action of the General Court in establishing, in 1933, an informal procedure has been of great benefit to the smaller taxpayers. They wish and need an early hearing on their appeals and are not interested in the possibility of appeal to the Supreme Judicial Court, and would be embarrassed by the necessity of presenting their case in the formal manner necessary were such right of appeal retained. It is fair to say that under the informal procedure the small taxpayer has available a better and a more speedy remedy for contesting local property taxes than has ever been offered to him before, and that he is taking advantage of it is apparent from the number of appeals entered under that procedure. Under this informal procedure a hearing may be had within about three months from the time of filing the petition. Of course there is more delay in the formal procedure. Where the question is only one of fair cash value and no questions of law are involved cases should be restricted to the informal procedure. An examination of the tables accompanying this report will show the extent to which this informal procedure is being used for the smaller assessments. During this past year 2107 informal appeals have been filed, of which 935 were transferred to the formal procedure by assessors, and 1172 were retained under the informal procedure. About 77 per cent of these latter appeals are for assessments of less than \$25,000.

In order that hearings under the informal procedure might be shortened the General Court has given to the Board full discretion as to the admission and exclusion of evidence in such appeals. The member or members of the Board hearing informal cases endeavor to take advantage of this provision by eliminating some technicalities of the rules of evidence, and in cases where a party is not represented by counsel by asking sufficient questions to bring out the necessary important points to meet the ends of justice. Typewritten reports of experts are admitted in evidence in order to save time and expense in presenting oral testimony by question and answer. Summaries in written form containing items of income and expense over a period of years not too remote are accepted as exhibits for the same reason, and various other methods have been adopted with a view to reducing the formality of the proceedings under the informal procedure. In view of the large number of appeals now before the Board it would be advisable to adopt in the future some further limitation on the oral presentation of evidence especially in cases under the informal procedure.

Although hearings are usually held at the offices of the Board in Boston, where the convenience of the parties requires it and there is a sufficient number of cases to warrant the expense of sending a member of the Board and a hearing stenographer, hearings are held in various parts of the Commonwealth. During the year one session was held in Worcester where one case was disposed of; two sessions were held in Hampden County, at Springfield, one in the spring and the other in the fall. At the spring session 25 cases were disposed of. These included cases from the cities of Springfield, Pittsfield and Holyoke and the towns of Agawam, Hinsdale, Holland and Longmeadow. In the fall session there were 14 cases disposed of. In the month of October hearings were held in Leominster where 32 cases were disposed of. There is no reason why this practice cannot be increased and hearings held at various times in the different County seats.

The amendment of 1933 allowing appeals to be heard by less than a majority of the Board has greatly increased its capacity to hear appeals. It is not unusual for four or even five appeals to be heard simultaneously, and if fewer appeals are being heard the other members are free to work on appeals already heard. The practice now is for three members of the Board to sit only on the more important cases under the formal procedure and on appeals from decisions of the Commissioner of Corporations and Taxation involving intricate questions of law. However, it is to be noted at this point that under the existing law all decisions must be made by a majority of the Board.

Two financial features of the 1933 legislation have had their full effect for the first time during the past year. The new system of graduated entry fees has not increased the average fee as much as had been anticipated, due to the fact that the number of appeals of large size has remained about the same while the number of small appeals has increased enormously. The total revenue from fees has been increased by \$13,374.04 over what it would have been under the old system, in spite of the fact that the entry fee in the smaller appeals has been cut in half—from \$10 to \$5. Placing the cost of official stenographic transcripts of evidence on those who desire them, rather than on the Commonwealth, has resulted in a direct saving of \$4,209.72 and an indirect saving of a much greater amount through failure of parties to request such transcripts when the burden of expense is placed on them rather than on the Commonwealth.

As a part of this report tables of such statistics of the work of the Board as may have some public interest are appended.

Respectfully submitted,

PAUL E. TIERNEY, *Chairman.*

RICHARD P. STAPLETON

ALEXANDER LINCOLN

FRANCIS X. HURLEY

JOHN D. WRIGHT

Board of Tax Appeals.

PETITIONS TO DECEMBER 1, 1934.

Received to date	7611	Decided to date	1203
Settled or withdrawn to date	3134	Unheard to date	3274

At the close of the fiscal year, November 30, 1934, 3257 appeals from assessors were pending before the Board, divided as follows:—

Boston	2585	Lynn	35
Brookline	72	Leominster	31
Lowell	57	Quincy	31
Somerville	53	Springfield	29
Revere	44	Cambridge	25
		69 cities and towns	295
Total			3257

APPEALS FROM COMMISSIONER OF CORPORATIONS AND TAXATION

December 1, 1930, to November 30, 1934.

Appeals entered	180	Appeals decided	108
Appeals settled or withdrawn	55	Appeals pending	17

APPEALS FROM BOARD OF TAX APPEALS TO SUPREME JUDICIAL COURT

December 1, 1930, to November 30, 1934.

Claims of appeal filed	41	Records delivered to appellant	34
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RECORD OF FORMAL PROCEDURE

December 1, 1930 — November 30, 1934.

<i>Class</i>	<i>Number</i>	<i>Assessed Valuation</i>	<i>Tax Assessed</i>	<i>Overvaluation Found</i>	<i>Tax Abated</i>
TOTAL filed					
(net)	6042	\$1,282,654,064.80	\$41,174,748.59		
Total decided	832	208,054,933.99	6,281,097.98	\$46,482,880.02	\$1,497,059.60
Total settled and withdrawn	2442	560,591,842.23	18,337,091.71		
Total disposed of	3273	768,646,776.22	24,618,189.69		
Total pending	2769	514,007,288.58	16,556,558.90		
BOSTON filed					
(net)	4386	1,033,627,739.00	33,043,576.41		
Boston decided	482	149,425,005.00	4,475,135.78	29,922,771.32	975,704.02
Boston settled and withdrawn	1648	453,732,200.00	14,725,567.06		
Boston disposed of	2130	603,157,205.00	19,200,702.84		
Boston pending	2256	430,470,525.00	13,842,873.57		
OUTSIDE filed					
(net)	1656	249,096,334.80	8,131,172.18		
Outside decided	350	58,629,928.99	1,805,962.20	16,560,108.70	521,355.58
Outside settled and withdrawn	793	106,859,642.23	3,611,524.65		
Outside disposed of	1143	165,489,571.22	5,417,486.85		
Outside pending	513	83,536,763.58	2,713,685.33		

RECORD OF INFORMAL PROCEDURE
July 12, 1933—November 30, 1934.

<i>Class</i>	<i>Number</i>	<i>Assessed Valuation</i>	<i>Tax Assessed</i>	<i>Overvaluation Found</i>	<i>Tax Abated</i>
TOTAL filed					
(net)	1359	\$53,797,709.79	\$1,780,439.10		
Total decided	263	8,689,301.31	296,348.45	\$1,967,116.20	\$68,584.47
Total settled and withdrawn	638	24,318,892.00	794,211.14		
Total disposed of	901	33,008,193.31	1,090,559.59		
Total pending	488	20,789,516.48	689,879.51		
BOSTON filed					
(net)	562	20,407,000.00	704,490.21		
Boston decided	39	616,400.00	20,796.53	104,300.00	3,608.15
Boston settled and withdrawn	194	12,665,900.00	415,464.70		
Boston disposed of	233	13,282,300.00	436,261.23		
Boston pending	329	7,124,700.00	268,228.98		
OUTSIDE filed					
(net)	827	33,390,709.79	1,075,948.39		
Outside decided	224	8,072,901.31	275,551.92	1,862,816.20	64,976.32
Outside settled and withdrawn	444	11,652,992.00	378,746.44		
Outside disposed of	668	19,725,893.31	654,298.36		
Outside pending	159	13,664,816.48	421,650.53		

APPEALS FROM LOCAL ASSESSORS FILED UNDER OR TRANSFERRED TO
FORMAL PROCEDURE

Dec. 1, 1930—Nov. 30, 1934.

Status as of Nov. 30, 1934.

<i>Class</i>	<i>Per cent of All Appeals</i>	<i>Number of Appeals</i>	<i>Total Assessed Value of Class</i>
\$25,000 and under	24.34	1476	\$ 20,003,369.75
\$25,000 - \$100,000	40.31	2445	128,532,824.00
\$100,000 - \$500,000	26.94	1634	365,938,026.05
\$500,000 - \$1,000,000	04.50	273	184,529,948.00
\$1,000,000 and over	03.91	237	584,287,170.00
Total	100.00	6065	\$1,283,291,337.80

Average assessed value per appeal — \$211,589.66

Average assessed value 1476 appeals of

\$25,000 and under — 13,552.42

APPEALS FROM LOCAL ASSESSORS ORIGINALLY FILED UNDER
INFORMAL PROCEDURE AND NOT TRANSFERRED TO FORMAL PROCEDURE

July 12, 1933—November 30, 1934.

<i>Class</i>	<i>Per cent of All Appeals</i>	<i>Number of Appeals</i>	<i>Total Assessed Value of Class</i>
\$25,000 and under	77.04	1070	\$11,581,569.31
\$25,000 - \$100,000	17.35	241	11,602,474.48
\$100,000 - \$500,000	04.60	64	12,324,966.00
\$500,000 - \$1,000,000	00.65	9	6,187,200.00
\$1,000,000 and over	00.36	5	12,101,500.00
Total	100.00	1389	\$53,797,709.79

Average assessed value per appeal — \$38,731.26

Average assessed value of appeals of

\$25,000 and under — \$10,823.90